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MAYER
BROWN
ROWE
& MAW

Mayer, Brown, Rowe & Maw LLP
1909 K Street, N.W.
Washington, D.C. 20006-1101

Main Tel (202) 263-3000
Main Fax (202) 263-3300
www.mayerbrownrowe.com

Kathryn Kusske Floyd
Direct Tel (202) 263-3223
Direct Fax (202) 263-5223
kkusskefloyd@mayerbrownrowe.com

September 8, 2006

VIA HAND-DELIVERY

Ms. Victoria J. Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W., Room 504
Washington, D.C. 20423

Re: Finance Docket No. 34658, The Alaska Railroad Corp. -- Petition For Exemption From 49 U.S.C. §10901 To Construct and Operate a Rail Line Between North Pole, Alaska and Delta Junction, Alaska, Response to STB Letter Dated August 18, 2006, Northern Rail Extension Project

Dear Ms. Rutson:

The Alaska Railroad Corporation (ARRC) has reviewed your letter dated August 18, 2006, requesting additional information on alignment alternatives. ARRC offers the following information in response:

1) *The U.S. Fish and Wildlife Service in its scoping comments proposed an alignment that would cross Richardson Highway at Mile 0. This proposed alignment would pass through the Eielson Air Force Base (AFB) using the existing track. Was such an alignment considered by Alaska Railroad? If the alignment was considered, please provide an explanation for why the alignment was not proposed for further analysis by SEA in the EIS.*

   During ARRC's initial corridor analysis, it considered using the additional section of the existing Eielson Branch line south of the Chena Floodway, but determined that the existing line through the Eielson AFB area was not reasonable or practicable. The use of existing trackage starting at the Chena Floodway would require re-alignment of the existing grade crossing of the Richardson Highway to retain the desired design criteria for ARRC's line extension. Because the topography on the east side of the

highway at that location significantly limits the geometry that could be employed, this option is impracticable. The incorporation of a grade separation at this location is also relatively infeasible due to the proximity of the existing highway and railroad bridges over the floodway.

It is ARRC's understanding that the use of the existing trackage through Eielson AFB for through-movement of trains would be considered highly undesirable by the military. A situation similar to that which currently exists at Fort Wainwright would be created with train traffic bifurcating the cantonment area. ARRC is presently working with the military command at Fort Wainwright to remove the track from the cantonment area to address security concerns. For this reason, ARRC believes that incursion into the cantonment area at Eielson AFB should be avoided.

Land use and other conditions around the east side of Eielson AFB are also unfavorable. To locate the railroad through this area would affect not only private land ownership, but would not be congruent with existing land use including gravel pits, potential multiple crossings of the Trans-Alaska Pipeline, and crossing through the center of military training lands. Further, the area through the upper reaches of French and Moose Creeks would be challenging from a geotechnical standpoint, including the design, construction, and maintenance of the railroad. For these reasons, ARRC believes that alternatives east of the Richardson Highway, from the start of the project (Mile 0) to the south end of the Eielson AFB runway, are impracticable or feasible.

2) *The Study indicates that one of the reasons for no longer considering northern segments of N1 and N7 on the west side of the Tanana River is that these alignments would encroach upon military land. In the study, however, a new Donnelly West alignment would cross a portion of the Donnelly Training Area but the potential issue of encroachment is not addressed. Please provide more information on the rationale for proposing this alignment, the differences between this area and Tanana Flats, and the status of discussions with the military regarding the Donnelly West alignment.*

ARRC has had (and still has) concerns about the engineering feasibility of locating the railroad on the north facing bluff along the Tanana River, between the Little Delta River and Delta Creek. Unlike the alternatives that traverse the northern end of the study area, the Donnelly West alignment is comparatively more practicable, and may prove to be the only feasible alternative through this area.

Additionally, it is ARRC's understanding that there are varied military uses of the training areas. The Tanana Flats area incorporates heavy air support and approaches for ground targets. The area through which the Donnelly West alignment traverses is located at the edge of what is largely ground force training. As such, this represents the first opportunity for the military to review the Donnelly West alignment. Early

indications are that the Donnelly West alignment should not impact the military's training activities.

3) *Along the Tanana East and Tanana West alignments, the Study shows several cross-over segments between the two alignments. In that same region there are also four alternatives for crossing the Little Delta River. Please explain the engineering, geotechnical, or environmental considerations that led to the retention of all of these cross-over segments and multiple river crossings in the study.*

As discussed above in the response to Question 2, there remains significant engineering concern related to the geotechnical and hydraulic aspects of the area between the Little Delta River and Delta Creek, north of the bluff. This situation is exacerbated by the lack of field data available for an area which may have potentially significant archeological sites located within its narrow width. The terrain is such that there is limited opportunity to design and engineer a cross-over between Donnelly East and Donnelly Central that could avoid impacts to potentially significant sites or habitat. Until more detailed engineering, geotechnical, and environmental data are available, the number of alternatives through this area remains higher in comparison to the remainder of the corridor.

Please contact me if you have any questions.

Sincerely,

Kathryn K. Floyd

Kathryn Kusske Floyd

cc: David C. Navecky, SEA
Alan Summerville, ICF
Eileen Reilly, ARRC
Brian Lindamood, ARRC